

## Message Text

LIMITED OFFICIAL USE

PAGE 01 COPENH 00732 041447Z

41

ACTION EB-07

INFO OCT-01 EUR-12 IO-11 ISO-00 SP-02 USIA-06 AID-05

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03

AGR-05 COME-00 ITC-01 CIAE-00 DODE-00 INR-07 NSAE-00

PA-01 PRS-01 /089 W

----- 124376

P R 041407Z MAR 76

FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC PRIORITY 2302

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION GENEVEA

USDEL MTN GENEVA

LIMITED OFFICIAL USE COPENHAGEN 0732

PASS AGRICULTURE

EO 11652: N/A

SUBJ: PROPOSED EC NFDM MIXING REGULATIONS AND GRAIN PRICE

REF: (A) STATE 48239; (B) STATE 48241

1. SUMMARY: REPRESENTATIONS BASIS REFTELS WERE MADE TO  
MINISTRY FOREIGN AFFAIRS AND BOTH ISSUES WERE AGAIN RAISED  
WITH MINISTRY OF AGRICULTURE AND AGRICULTURAL COUNCIL THIS  
WEEK AS WELL. DANES ARE ALSO OPPOSED TO NFDM MIXING  
PROPOSALS AND ARE UNENTHUSIASTIC ABOUT GRAIN PRICE PROPOSALS  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COPENH 00732 041447Z

BUT MAY WELL ACQUIESCE TO BOTH IN COMPROMISE TO ACHIEVE

REDUCTION OF MONETARY COMPENSATORY AMOUNTS WHICH ARE  
HURTING DANISH EXPORTS TO OTHER MEMBER COUNTRIES. END  
SUMMARY.

2. US VIEWS ON PROPOSED EC PRICE INCREASES FOR GRAINS  
ALONG WITH REITERATION OF FIRM US OPPOSITION TO PROPOSED  
NFDN MIXING REGULATIONS WERE DISCUSSED WITH DEPUTY  
UNDERSECRETARY FOR EC AFFAIRS OF MINISTRY OF FOREIGN AFFAIRS  
(AMBASSADOR WANDEL-PETERSEN), WHO CONFIRMED DANISH  
OPPOSITION TO BOTH PROPOSALS. HE AS WELL AS AGRICULTURAL  
OFFICIALS SEEMED PLEASED TO HAVE US POSITION ON THESE  
PROPOSALS CLARIFIED. THE DANES TOO HAD BEEN HEARING ALLEGATIONS  
THAT THE US WOULD NOT STRONGLY PURSUE ITS OPPOSITION TO THE  
MIXING REGULATIONS IN VIEW OF THE MODIFICATION TO REQUIRE  
SIMULTANEOUS STORAGE OF PROTEIN MEAL. ALTHOUGH DANISH  
OPPOSITION TO THE PROPOSED SHARP INCREASE IN GRAIN PRICES AND  
PROTECTION APPEARS TO BE LESS FIRM, THE DANES SEE THESE AND  
THE MIXING SCHEME AS HAVING ADVERSE IMPACTS ON COSTS OF  
PRODUCTION IN THEIR VITAL PORK INDUSTRY.

3. VIRTUALLY ALL SECTORS OF DANISH AGRICULTURE EXCEPT THE DAIRY  
INDUSTRY HAVE GONE ON PUBLIC RECORD IN OPPOSITION OF NFDN  
MIXING PROPOSAL. PRIVATELY EVEN DAIRY BOARD SPOKESMEN AGREE  
THAT THE MIXING SCHEME IS AN AWKWARD PROPOSAL THAT WOULD DO  
LITTLE TO RESOLVE THE PROBLEM OF EXCESS PRODUCTION. THE  
DANISH POSITION GOING INTO THE CURRENT PRICE NEGOTIATIONS FAVORED  
A PLAN TO REQUIRE DAIRY PRODUCERS TO TAKE BACK TO THE FARM FOR  
FEEDING OR SALE AT FEED VALUE AN NFDN PORTION (E.G. 10  
PERCENT) OF THE MILK EC FARMERS DELIVER TO DAIRY PLANTS.  
AS AN ALTERNATIVE THE DANES WERE PREPARED TO SUPPORT A  
PROPOSAL TO LEVY A FEE ON ALL EC MILK PRODUCTION AS A MEANS  
OF FUNDING LIQUIDATION OF NFDN STOCKS AT FEED VALUES AND  
PROMOTION OF MILK CONSUMPTION.

4. NEVERTHELESS, DESPITE OPPOSITION TO MIXING REGULATIONS  
AND SHARP INCREASE IN GRAIN PRICES AND PROTECTION PER SE,  
DENMARK'S OVERRIDING CONCERN IS TO OBTAIN FROM THE PRICE NEGOTIA-  
TIONS A SOLID COMMITMENT TO REDUCE THE MONETARY COMPENSATORY  
AMOUNTS. DENMARK HAS LONG BEEN SEEKING ELIMINATION OR A  
FIRM SCHEDULE FOR ELIMINATION (E.G. SIX MONTHS) OF THE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 COPENH 00732 041447Z

COMPENSATORY AMOUNTS PAID TO OFFSET CURRENCY REVALUATIONS  
BY MEMBER COUNTRIES. THE AMOUNTS APPLICABLE TO GERMAN  
TRADE HAVE BEEN PARTICULARLY DAMAGING TO DANISH TRADE, WITH  
DANISH EXPORTS TO GERMANY DISADVANTAGED BY THE AMOUNTS  
LEVIED AGAINST THEM AND DANISH EXPORTS TO OTHER MEMBERS  
HURT BY THE AMOUNTS PAID TO GERMAN EXPORTS. THE DANES  
CLAIM THAT IT IS BECAUSE OF THESE PAYMENTS THAT GERMAN BUTTER  
EXPORTS TO THE UK LAST YEAR SURPASSED DENMARK'S. IN ORDER

TO GET RELIEF ON THE COMPENSATORY AMOUNTS, THE DANES ARE  
PREPARED TO COMPROMISE THEIR OBJECTIONS TO PROPOSED MIXING  
REGULATION AND GRAIN PRICE INCREASES. TO ACHIEVE THIS GOAL  
THEY ARE ALSO WILLING TO ACCEPT HIGHER AVERAGE CAP PRICE  
INCREASES THAN THEY WOULD PREFER.

DEAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE PROTECTIONISM, DIPLOMATIC DISCUSSIONS, AGRICULTURAL PRICE SUPPORTS, AGRICULTURAL COMMODITIES, GRAINS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976COPENH00732  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760082-1234  
**From:** COPENHAGEN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760396/aaaadgrp.tel  
**Line Count:** 121  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 48239, 76 STATE 48241  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 24 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 MAR 2004 by MartinML>; APPROVED <08 JUL 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED EC NFDM MIXING REGULATIONS AND GRAIN PRICE  
**TAGS:** ETRD, EAGR, EPAP, XG, US, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006